

**REMARKS:**

Claims 1-9 are presently pending in the application. Claim 1 is an independent method claim.

Claims 1-9 were rejected under §103 over the Admitted Prior Art (APA) in view of Tagawa. The APA discloses a ring gear secured to a differential case by fasteners. The APA does not disclose casting the differential case onto the ring gear, which the Examiner argues is obvious in view of the teachings of Tagawa. The Examiner further argues that one of ordinary skill would modify the APA with the casting of Tagawa "to eliminate the fasteners and to quickly attach the gear to the housing." In the disclosure of Tagawa, the outer ring and stator are not connected by fasteners. The problems Tagawa attempt to overcome are 1) too thick of an outer ring which results in a large package, 2) too thin of a stator which can lead to breakage, and 3) too wide of an outer ring and poor structural integrity. There is no mention of fasteners. Accordingly, the Examiner cannot argue that the motivation to one of ordinary skill in the art to modify APA in view of the teachings of Tagawa would be to eliminate the fasteners. The Examiner cannot sustain the rejection to claims 1-9 with the present combination.

The Applicants challenge the Examiner's comments regarding machining the teeth or casing as being an "obvious matter of design choice." With respect to claims 7-9, Applicants are claiming a sequence of steps not disclosed in the prior art. The claimed sequence is desirable when casting a differential case onto a ring gear. The Examiner has not cited anything in the prior art that indicates that the claimed sequence necessarily follows from casting the differential case onto the ring gear. Without providing this, the Examiner cannot sustain the rejection of claims 7-9. Furthermore, it is not clear how the Examiner's mention of no disclosure of "new or unexpected results" is relevant. On page 4 of the Specification, Applicants describe why the claimed procedure is desirable.

Applicants challenge the Examiner's Office Notice of near-net forging of the ring gear. The Examiner must produce a reference in the next Office Action that would provide the necessary suggestion or motivation to one of ordinary skill to provide this limitation, which is missing from the Examiner's cited references. Otherwise, the Examiner must withdraw the rejection to claim 3.

It is believed that this application is in condition for allowance. If any fees or extensions of time are required, please charge to Deposit Account No. 50-1482.

Respectfully submitted,  
**CARLSON, GASKEY & OLDS**

William S. Gottschalk  
Registration No. 44,130  
400 W. Maple, Suite 350  
Birmingham, MI 48009  
(248) 988-8360

Dated: 6/12/03

Marked-up version of claims

7. (Amended) The method according to claim 1, further including the step of:
  - c) machining differential case features subsequent to performing step b).
8. (Amended) The method according to claim 7, further including the step of:
  - d) machining gear teeth on the ring gear subsequent to performing step c).
9. (Amended) The method according to claim 8, further including the step of:
  - e) induction hardening the gear teeth subsequent to performing step d).

PTO/SB/07 (08-00)

Approved for use through 10/31/2002, OMB 0651-0031

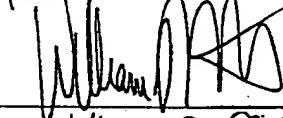
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